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Chair

Ms. Julie Dabrusin

Standing Committee on Canadian Heritage

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● (0850)

[*Translation*]

The Chair (Ms. Julie Dabrusin (Toronto—Da...ith, Lib.)): We'll begin because we're running a bit late.

Welcome, everyone, to the 114th meeting of the Standing Committee on Canadian Heritage.

We are continuing our study of remuneration models for artists and creative industries.

I don't know whether our witnesses are here. I don't think the people from Artisti have arrived yet.

Is that correct? I see.

We have Solange Drouin from the Association québécoise de l'industrie du disque, du spectacle et de la vidéo, and we have

[*English*]

from Re:Sound Music Licensing Company, Ian MacKay; and from the Songwriters Association, we have Greg Johnston and Damhnait Doyle.

Since Artisti isn't here yet, they can join us as we go along.

[*Translation*]

Then we'll begin with the Association québécoise de l'industrie du disque, du spectacle et de la vidéo.

Ms. Solange Drouin (Vice-President of Public Affairs and Executive Director, Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ)): Good morning and thank you for this invitation to appear before the committee today.

My name is Solange Drouin. I am Vice-President of Public Affairs and Executive Director of ADISQ. I am speaking on behalf of approximately 250 independent entrepreneurs—producers of sound recordings, entertainment, videos, recording companies, and artist managers—who are responsible, in particular, for the production of 95% of francophone music content in Canada.

The independent industrial structure that characterizes Canadian francophone music production emerged 40 years ago. It is unique in the world: French Canadian artists almost always turn to local entrepreneurs, small and medium-size enterprises, to assist them in producing and marketing their works.

Everywhere else in the world, music production is dominated by three major multinational businesses: Sony Music, Warner Music Group, and Universal Music Group. In the 1980s, those businesses abandoned our market, which enabled French Canadian artists and entrepreneurs to work together to create a dynamic ecosystem, a true star system, to which the audience here is now attached. This is a situation that should make Canadians and our leaders proud.

The fact nevertheless remains that these companies, the major multinationals, are still operating in our market. They are our competitors. Need we recall that they have massive resources compared to our own? Although the entire music industry has been in turmoil for more than 15 years, the independent businesses I represent have been left distinctly more vulnerable by the transformation of the competitive music market, which has become unfair and unbalanced. That fact must be taken into consideration in this process.

You have invited us to take part in a study on remuneration models for artists and creative industries in a copyright context. The remuneration of Canadian music content creators comes mainly from a combination of revenues and royalties from the exploitation of sound recordings and performances.

To optimize those two elements, the artists' professional entourage devote their energies to effectively marketing the artists' works. You legislators must ensure that all the statutes concerned are as effective as possible. It's simple: no consumption, no revenues. However, where there is consumption without adequate laws, there are no adequate revenues.

The Copyright Act is a pillar of the remuneration of music content creators. It is an economic statute that produces tangible effects for all Canadian content creators.

Consequently, the work you are engaged in will have serious consequences. You finally have an opportunity here to correct many aspects of the act that currently and unfairly deprive content creators of revenue.

As a result of the many exceptions that have been introduced into it over the years, particularly since 2012, the Copyright Act has become a veritable Swiss cheese, thus considerably weakening its scope and causing significant prejudice to rights holders: authors, artists, and producers. This is an incomprehensible situation in a country such as Canada and one that must urgently be terminated. At a time when we are welcoming the world here at home, it would be good for us to make a good impression.

We agree with several of the proposed amendments outlined by the previous witnesses, such as Music Canada, the Canadian Private Copying Collective, or CPCC, the Canadian Independent Music Association, or CIMA, and others that will follow us, such as Re: Sound.

Without providing an exhaustive list, here are the three amendments we specifically request.

First, you must finally eliminate, once and for all, the exemption from payment of royalties on the first $1.25 million of radio revenues so that Canadian content creators can stop subsidizing those businesses—the Canadian Radio-television and Telecommunications Commission, or CRTC, recently said it again—which are still highly profitable today.

Second, you must amend the definition of sound recording so that artists and producers can receive the royalties they are owed when their works are included in the soundtracks of audiovisual works.

Third, it is urgent that you amend the private copying system—which you have heard about—so it applies to all types of devices, such as smartphones and tablets, that are used by music consumers to copy music.

Mr. Macron could tell you all about that because France is doing a lot in this area.

The changes brought about by technology are obviously central to the discussions about this review. The act must clearly be consistent with music consumption practices but currently is not.

An act that is in sync with consumption practices is not an act that aims to reflect recent tools or trends, or else it risks falling constantly behind and mistakenly anticipating changes. On the contrary, it must be as technology-neutral as possible.

New technologies are tools that are available to all players in the music ecosystem, from creator to consumer, and including professional entourages. However, regardless of the tools used, the actions of each individual will remain unchanged. Songwriters write good songs, producers and recording companies promote them, and radio stations broadcast them.

Tools won't save creators. Blockchain technology, for example, might be another way for them to collect royalties from the use of their works. Would that tool be more effective than those that already exist? The question is being discussed, but one thing is certain: failing a strong act that protects works and ensures that royalties are paid for their use, optimizing royalty redistribution tools won't ultimately improve the situation of creators.

To be efficient, the Copyright Act must be attuned to international standards and consumer practices, and it must also serve creators.

I hope no one is unaware of the problems facing people in the music industry, but the scope of their losses bears repeating: Quebec sales of physical sound recordings have fallen 72% since 2004. Sales of digital works, which have never offset that decline, are shrinking as well: they have fallen 42%. For the majors, the large corporations in the music market, streaming has recently spurred a return to growth, but that news must be viewed with caution and a clear mind. Only a handful of artists, international stars who are listened to by millions around the world, enjoy the impact of streaming. One important point is that ADISQ estimates that it takes 30 million hits on these streaming services to make an album profitable. However, last year, the Quebec artist who came closest to that threshold had 8 million hits. That artist is in fact Half Moon Run, a group of anglophone musicians who perform outside the province.

I will conclude by saying that cultural diversity is a cherished principle in Canada. Content creators, authors, artists, and producers are its pillars. When they can't earn a living from their art, that diversity is directly threatened. That's the case today. Fortunately, you have the power to restore strength to an essential tool to ensure the continued existence of diverse and professional Canadian music production.

I hope you understand that urgent action is required. In 2016, ADISQ announced that the music industry was at a tipping point. Two years later, we are unfortunately approaching a point of no return. We need to turn the situation around now.

● (0855)

The Chair: Thank you.

I would like to welcome Ms. Annie Morin and Ms. Sophie Prégent from Artisti.

Do you need a little time, or can you make your presentation right away?

Ms. Sophie Prégent (Vice-President, Artisti): Pardon me, I didn't understand your question.

Ms. Solange Drouin: She asked you whether you could give your presentation now.

Ms. Sophie Prégent: Absolutely.

The Chair: All right. Then you may do so.

Ms. Sophie Prégent: Thank you very much.

Mrs. Annie Morin (General Manager, Artisti): Do we have to submit our speaking notes anywhere in particular?

The Chair: The interpreters have them. The clerk will come and pick them up.

Ms. Sophie Prégent: Ladies and gentlemen, a word about us.

Artisti is a collective management society created by the Union des artistes in 1997. It is the collective copyright management society for French-speaking performers in the field of sound recording.

First, let me emphasize that the Copyright Act is one of the most effective tools we have to ensure the remuneration of artists and to share the wealth that their creations generate.

That said, the act has not changed much over the years. Many of its provisions are now out of step with the context in which performing artists work. We are proposing six recommendations that are intended to make the law fairer and more in tune with reality.

Ms. Morin, you may continue.

● (0900)

Mrs. Annie Morin: Our first recommendation is to extend the private copying regime to all digital audio support and recording devices that make the copying of music possible, not just blank CDs, as is the case today. Generally speaking, the exceptions introduced into the act in 2012 that allow reproduction on devices or reproduction for listening or delayed viewing should provide for financial compensation. Creators should be paid royalties for the use of their work, regardless of the medium used.

Virtually no royalties are now paid for private copying. To give you an order of magnitude, not so long ago, private copying royalties accounted for more than 50% of Canadian royalties paid by Artisti, compared to 7% in 2017.

Our second recommendation is to reinstate the provision requiring broadcasters to pay a tariff when a collecting society can issue them a licence to use for some reproductions, even where exceptions might normally apply.

Subsection 30.9(6) of the act, which is related to this provision, was repealed in 2012. This has contributed to dramatically reducing the fees paid by commercial radio to performers.

The rules in place clearly do not meet the requirements of the three-step test imposed by international treaties. Artisti is asking the legislator to correct this situation and to reintroduce the subsection in question into the act.

Ms. Sophie Prégent: Our third recommendation is to treat performances incorporated in music videos as musical performances and not as cinematographic performances. Currently, once a performer authorizes the incorporation of his or her performance into a cinematographic work, including a video clip, he or she automatically waives his or her copyright for that use. For example, a performer whose performance is captured on video and is also audio-recorded may only exercise copyright or receive equitable remuneration when his or her sound performance is dissociated from the video.

Yet, a video clip is neither more nor less than a song with images. No song, no video! I do not know anyone who watches a YouTube music video of a song on mute. That person is in fact watching the song. In such a case, depriving the artist of his or her rights is absurd. In our view, it is imperative that Canada ratify the Beijing Treaty on Audiovisual Performances and extend the exclusive and moral rights of performers in the sound recording industry to all performers.

That brings me to our fourth request.

The definition of sound recording must be changed so that the songs used in movies or TV shows are also covered by fair remuneration. The definition of sound recording which is contained in the act is problematic, since it excludes soundtracks of cinematic works broadcast at the same time as the film. This situation deprives performers of significant revenues, in addition to being discriminatory, since authors and music composers enjoy equivalent royalties for the use of their works. In 2012, the legislator recognized the same rights for performers in the sound recording industry as those of the authors. It is therefore difficult to understand that discrimination still exists.

Fifth, it is necessary to find ways to compensate performers for the use of their performances on the Internet. Quebec artists know that revenues from the streaming of their works are ridiculously low, even for their most popular songs.

The problem is in fact twofold. Firstly, revenues for non-interactive and semi-interactive webcasting are subject to a derisive REIT tariff set by the Copyright Board of Canada. This tariff is almost 11 times lower than the one in effect in the United States for the same period.

Revenues for webcasts of on-demand music content such as Spotify or Apple Music are subject to contractual arrangements between artists and producers that provide for the recovery of production costs before the payment of royalties to artists. Given the small sums generated by album sales as well as webcasting on demand, performers obviously too often find themselves deprived of royalties from this commercial exploitation of their performances.

● (0905)

Mrs. Annie Morin: Our recommendation has two components.

First, guidelines should be incorporated into the law so that the tariffs of the Copyright Board of Canada align with those that apply to our neighbours to the south or respect agreements between users and collectives, where such agreements exist.

Second, it would be necessary to introduce a right to remuneration for the digital use of performances such as the one advocated by the European group Fair Internet for Performers. In addition, this tariff should be subject to mandatory collective management by organizations. These measures would provide the performers with income in return for the massive use of their performances on the Internet. Better still, the act could be amended to ensure that fair compensation rules apply even to webcasting on demand. The royalties for this equitable remuneration would be paid half to the performers and half to the producers of sound recordings, as is currently the case for radio royalties.

Our last recommendation is very simple. It is time to abolish the exemption that allows broadcasters to evade the obligation of paying fair compensation royalties on the first $1.25 million of their annual advertising revenues. This exemption, adopted in 1997, was intended to be transitional and temporary. It responded to a particular context, which no longer exists. Twenty years later, the abolition of this measure is urgent. This exemption is all the more unfair since it applies only to performers and producers of sound recordings, but not to the authors.

Ms. Sophie Prégent: I will conclude by asking a question: why do we find it so hard to recognize the value of the performer when talking about music? Current practices do not adequately recognize the performer's contribution and risk-taking. The artist also invests, in a very personal way. They spend hundreds, if not thousands, of hours developing their talent. Their investment and their contribution must be fully recognized. Our laws must support artists who have to deal with the cultural industry giants, because, as I often say and repeat: there is no culture without the artist.

Thank you.

[*English*]

The Chair: Thank you. We will now go to Mr. MacKay, from Re: Sound Music Licensing Company, please.

Mr. Ian MacKay (President, Re:Sound Music Licensing Company): Thank you. My name is Ian MacKay. I'm the President of Re:Sound Music Licensing Company. Thank you for the opportunity to address the committee today on this critical issue. This is something I am particularly passionate about, having worked in the music industry for 25 years as an artist lawyer at record companies and now in my present role.

Remuneration models for artists must adequately incentivize and compensate creators if you want those creators to continue to create. As the very talented and Juno award-winning artist William Prince said—and I'm paraphrasing here—if you want me to build you a house, I have to have a reasonable expectation I'm going to be paid.

As you've heard from many others, the Canadian recorded music industry has experienced significant disruption, shifting from an economy of dollars to one of pennies. There are critical changes needed to address outdated and unnecessary subsidies and exemptions that are unfairly preventing creators from receiving fair compensation for their work.

Where does Re:Sound fit in this? Well, you've heard from other witnesses about equitable remuneration. Luc Fortin, the president of the Quebec Musicians' Guild, told you in his testimony that this revenue stream is now the most significant that Canadian performers have under the Copyright Act in terms of income.

Re:Sound is the organization that collects and distributes equitable remuneration in Canada on behalf of more than 621,000 artists and sound recording owners whom we represent directly through our member organizations—Artisti, which is here today, along with RACS, MROC, CONNECT, and SOPROQ—as well as through bilateral agreements with international collective societies.

We're a not-for-profit organization. We collect from thousands of music users, including commercial radio, satellite radio, and individual businesses such as gyms, restaurants, nightclubs, etc. It's mandatory that the rights we administer be collectively administered. Creators cannot prevent businesses from using their recordings or negotiate directly; it's a blanket licence. Creators only get to rely on collecting equitable remuneration after the fact. These income streams are crucial for creators, and they go straight to creators. As has been referenced before, the money Re:Sound collects is split 50-50 between artists and sound recording owners at source.

Both the music industry and the copyright laws that govern it must keep pace with the rate of technological change. This is why we at Re:Sound are always working hard to innovate. We do this by working with organizations such as SOCAN on streamlining the licensing process for businesses, or as Mark Schaan, the director general at Industry mentioned in his testimony on May 22, we do things like "music has value" research, doing research to help music users understand how music brings value to their business and how they can use it as a competitive advantage.

We also work to ensure we distribute royalties as efficiently as possible. This is reflective in our work to obtain full radio logs from radio stations and our work with Music Canada and Bell Media to improve reporting of data to ensure that we distribute as much of every dollar to creators as possible.

We, and most importantly creators, are missing out because of outdated, unnecessary, and unfair exemptions in the Copyright Act that deprive creators of over $60 million a year in income. As you've heard from artists like Andrew Morrison of The Jerry Cans, artists' representatives such as the Canadian Federation of Musicians and Artisti here today, and organizations representing music creators including Music Canada, ADISQ, CIMA, and SOCAN, these are fundamental issues that need to be fixed.

It's rare to get this type of consensus. I think the only other issue on which there's been similar consensus is on the reform of the copyright board.

The two things that I want to talk about in particular, because they're closest to what we do, are the removal of the $1.25-million radio royalty exemption and the definition of "sound recording". You've already heard from other people about this, so I will keep it brief and try to add a little bit more information.

Under the current act, as you've already heard, commercial radio stations are exempt from paying royalties to performers and sound recording owners on the first $1.25 million in revenue, regardless of whether the station is part of a large, profitable ownership group. This costs rights holders $8 million a year in lost income and is unwarranted for a highly profitable industry. It was meant to be a temporary measure, but it still exists 20 years later.

● (0910)

Internationally no other country has a similar exemption, and the exemption does not apply to songwriter and publishing royalties, meaning that performers and record labels are the only ones asked to subsidize a very profitable industry.

Some 81% of the programming time of commercial radio is music. Going back to William Prince's comment, 81% of the house is music and it should be paid out accordingly, with no subsidies or exemptions.

Furthermore, in terms of technological neutrality this subsidy is only available to commercial radio broadcasters. It's not available to other users of music who use music commercially, such as satellite radio, pay audio, and other businesses. It's not technologically neutral.

The second one is amending the definition of "sound recording", a concern you've heard from other people as well. Under the current act, the definition of "sound recording" precludes artists and sound recording owners from receiving any royalties when their recordings are performed in TV and film soundtracks. Once again, this only applies to artists and sound recording owners, depriving them of, our estimate would be, approximately $55 million a year in lost royalties. When music is used in a TV show or a movie on Netflix, the composer, music publisher, and songwriter are paid, but the performers and sound recordings are not. This puts us out of step both between rights holders and internationally.

Re:Sound is also a member of the Canadian Music Policy Coalition that you've heard about. We support the recommendations outlined in the documents submitted on its behalf, many of which have been explained far more eloquently by others who have already appeared before the committee. These recommendations include continuing the important work that has been started regarding Copyright Board reform. We've been a very active participant in that process, which Artisti referred to as well. We recommend updating the private copying levy to make it technologically neutral. You've heard from a number of people in depth on that. We also recommend extending the terms of copyright for authors from 50 to 70 years. You heard very eloquently from SOCAN on that. Finally, we recommend closing the charitable exemption loophole created by section 32.2(3), which, once again, Gilles Daigle of SOCAN brought forward on June 5.

These, along with eliminating the $1.25 million exemption and fixing the sound recording definition, would make a profound difference for Canadian creators and bring us up to international standards.

Thank you for your time today. I look forward to any questions.

● (0915)

The Chair: Thank you.

For our final presentation, we're turning to the Songwriters Association of Canada and Mr. Johnston and Ms. Doyle.

Mr. Greg Johnston (President, Songwriters Association of Canada): Good morning, Madam Chair and members of the committee.

My name is Greg Johnston. I'm the president of the Songwriters Association of Canada.

On behalf of the SAC, I'd like to express our thanks for the invitation and the opportunity to appear before this committee. In addition, we would like to applaud the committee's efforts to hear directly from creators.

The SAC is a registered national arts organization with approximately 1,200 members dedicated to educating, assisting, and representing Canadian songwriters. We exist to nurture, develop, and protect the creative, business, and legal interests of music creators in Canada and around the world by pursuing the right to benefit from and receive fair compensation for the use of their work; the advancement of the craft and enterprise of songwriting; and the development of activities that allow members to reach out and enjoy the sense of community shared by creators.

Our volunteer board of directors is made up of professional songwriters from across the country. Diversity and regional representation are priorities when selecting the board's slate of directors.

It should be noted that the SAC is a signatory to "Sounding Like a Broken Record: Principled Copyright Recommendations from the Music Industry", a document prepared by the members of the Canadian Music Policy Coalition. This document has been presented to Minister Mélanie Joly and the Department of Canadian Heritage. It is our opinion that the recommendations put forth are actionable and would directly benefit creators.

I am a multi-instrumentalist session musician. I am a record producer. I am a songwriter. I am an audio/visual composer. I am also an entrepreneur, a small business owner, a taxpayer, a volunteer, a husband, and a father of two teenage musicians. I'm not a lobbyist, a copyright expert, or a lawyer, although there are a few on our board of directors.

I am also anonymous, like so many of my colleagues. We're the middle class of the music creator community and, quite simply put, two decades of disruptive technologies have left my community facing very difficult realities.

The way songwriters are remunerated for use of their works deserves special consideration. We are paid per purchase, per stream, and per public performance, which makes strong regulatory environments crucial to our financial success. As individuals, our voices are rarely heard, which is why we rely on and support collective management to represent our community's interests. In Canada, we are fortunate to have SOCAN represent our performing rights domestically and internationally. However, the speed at which technology develops demands that our collective management organizations be allowed to adapt and protect our rights as quickly.

On Copyright Board reform, the SAC believes that a strong, nimble, well-funded, and adequately staffed Copyright Board is a cornerstone to our success and survival. In a new digital reality, the speed at which tariffs are ruled upon and implemented is crucial. The technology sector has built staggering fortunes, many of which have been built on the backs of creators and their content. This David and Goliath dichotomy is simply unsustainable.

These, however, are the opportunities where government, in co-operation with the Copyright Board, can create a regulatory framework that serves technology, consumers—our fans—and the creators themselves. It is our opinion that strong, decisive action to reform the Copyright Board is a win for creators, a win for the little guy, and ultimately a win for consumers and fans, who we believe truly want and would even insist that creators be fairly remunerated.

Ms. Damhnait Doyle (Vice-President, Board of Directors, Songwriters Association of Canada): Thank you, Greg, and thank you to the committee members for conducting this review. I must say that after hearing everybody speak, I'm a bit emotional. This is a very important topic for Canada and for all citizens.

My name is Damhnait Doyle. I'm the Vice-President of the Songwriters Association of Canada. I have been in this industry for 25 years, and I have only seen the standard of living decrease for those of us who have chosen to make this our profession. It is that—a profession, a highly skilled trade. We get up in the morning, get our kids off to school, and go to work, just as you do. We create the content for radio stations to play on your drive to work, for the DJ to play at your daughter's wedding, for your favourite album that you stream off the Internet when you have a dinner party.

When you signed on to this job—and thank you very much for being here today—you negotiated your salary, your health benefits, and your vacation days. If you were told, "I'm sorry, there are some issues going on with the government, and you are not going to be paid", would you still be here today? How would you pay your mortgage, your health care, your child care?

I sit here today not getting paid but paying for after-school child care, so I can paint a vivid picture about the hard truths of the poverty affecting creators today. I wish I could use the term "middle class", but the middle class of creators has been eviscerated at this point. I know only one musician in Toronto who has bought a house in the last 10 years; most cannot pay their rent, let alone go to the dentist.

I'm not talking about failed artists here. I'm talking about very high-profile, award-winning creators, people whose songs you know and love, who simply cannot make a living. It used to be shameful to say, as a creator, that you were struggling, because perhaps it looked like a reflection of your artistic merit, but we now are all in the same leaky boat.

I consider myself a very fortunate songwriter and musician. I have a hefty catalogue of songs, which I have placed in film and television in more than 100 countries. I've had several top five radio hits. I've won East Coast Music awards, SOCAN awards, Canadian Radio Music awards, and I've been nominated for several JUNO awards. I've performed here on Parliament Hill for Canada Day, toured with Willie Nelson, and played all over the world as far as Japan and Afghanistan, but still I do not make a living from music. Creators are being hammered from all sides, from minimized streaming income to piracy to outdated exemptions for big business. Everyone is getting paid in the music industry. They are. The only people not getting paid are creators.

Ten to 15 years ago, this was a very different story, but the entire ecosystem is sinking at the precipice. The water is rising, and it's rising fast. We need to stimulate the cultural economy before there are no more new artists and writers.

This brings me to copyright term extension. We need to get in line with the majority of our trading partners and extend the copyright term to life of the author plus 70 years. At life plus 50, we are way behind modern copyright laws, which puts our writers and rights holders at a serious disadvantage, not only in our country but globally. The loss of this income for Canadian publishers means less money spent developing new writers, which means fewer artists, fewer musicians, fewer studios, fewer touring crews, and fewer jobs all around.

As for the degradation of intellectual property as an asset, I liken it to buying a house. What if you passed that house down to your children; then, 50 years after your death, your children are kicked out of the house that they grew up in? Our laws are consistent with only minimum protections from the 100-year-old Berne convention, when 50 years was meant to cover two generations of descendants. This is not in line with current life expectancies.

I sit before you knowing that as writers, musicians, and creators, our impact in the culture in this country is immeasurable, and we do deserve to get paid for our work.

Thank you very much.

● (0920)

The Chair: Thank you.

[*Translation*]

Now we will begin the period of questions and comments.

Mr. Breton, you have the floor for seven minutes.

Mr. Pierre Breton (Shefford, Lib.): Thank you, Madam Chair.

To start off, I would like to thank each of you for being here today, and I would like to thank you for your clearly felt testimony, which comes from the heart. Thank you for proposing all these amendments. That's very important in the context of our study.

I will begin with Mr. Johnston and Ms. Doyle.

I see that the study was previously done in 2014, but I don't know whether you commissioned it. The study concerned remuneration models for creative industries.

Could you tell us what emerged from that study. Are there any differences four years later? If so, what are they?

● (0925)

[*English*]

Mr. Greg Johnston: I am not quite certain what specific study you're referring to in 2014.

[*Translation*]

Mr. Pierre Breton: I have in hand a study by the Songwriters Association of Canada. So I suppose you commissioned it. If I understand correctly, you aren't aware of this study.

[*English*]

Mr. Greg Johnston: What is the title of the study, sir?

[*Translation*]

Mr. Pierre Breton: I don't have the details.

I thought you had the findings of the study that was commissioned in 2014.

[*English*]

Mr. Greg Johnston: What I can do is speak generally about how things have changed since 2014.

We have done a study. It was done on illegal file sharing, which at this point has sort of been replaced by streaming. This is the rapid speed that we're trying to deal with in what I like to call "disruptive technologies".

At one point, there were all these BitTorrents, and people were ripping all of our music off of them and storing them on their devices. Now everyone is streaming their devices and people aren't using the Torrents as much. In a lot of ways, the study that we did on the Torrents is not even that relevant anymore, because everything has changed so incredibly fast.

Again, I'll reiterate that if the Copyright Board were able to move more quickly and make decisions more quickly, then we could have tariffs on these new technologies faster. As it stands now, we wait years and years for tariffs to be ruled upon, and they're ruled upon information that is completely obsolete by the time it gets there. As some of my friends and colleagues here said, our rates are very, very low and not in keeping with international standards.

Copyright Board reform, and supporting and enabling the Copyright Board to work quickly, is definitely a way that we can participate in the technology that consumers want to use but still be remunerated for its use.

Ms. Damhnait Doyle: As a quick example on the income from streaming, as authors, if you had a 100% copyright on one song 15 years ago, and that album sold a million records, per song, on average, you would get $45,000. Now, with streaming, if that same song is streamed one million times, if you are lucky you will get a check for $35. That is $35 compared to $45,000. We are really getting hammered from all sides.

[*Translation*]

Mr. Pierre Breton: That's very clear.

Ms. Drouin, do you have any other comments?

Ms. Solange Drouin: I can add an overall figure.

I've been in the music industry since 1992, for 26 years, during the same period as Mr. Nantel. When I started out in it, it was a $40 billion global industry. Today it's a $15 billion global industry. There have been impacts over the entire chain.

I mentioned in my speech that physical album sales had fallen by 72%, which is enormous. The same is true of streaming: revenues have declined by 42% since 2014. So the entire chain is obviously suffering, including artists, songwriters, and producers.

Mr. Pierre Breton: Ms. Morin and Ms. Prégent, for our information, could you tell us how the method for remunerating artists works at Artisti? Sometimes I get lost with all the organizations out there. This week, we met representatives of the Society of Composers, Authors and Music Publishers of Canada, or SOCAN. Is Artisti connected with that organization, or are the two organizations different.

● (0930)

Ms. Sophie Prégent: We represent performing artists, more specifically singers, not songwriters. In other words, they are the people who use their voices, including instrumentalists.

Mr. Pierre Breton: Could you briefly explain to us how the remuneration method works?

Mrs. Annie Morin: Artisti represents all copyrights held by performing artists. For example, they will collect fair remuneration from Re:Sound. We heard Ian MacKay talk about that earlier. They'll also collect private copying royalties from the Canadian Private Copying Collective.

We also have our own tariffs for reproductions by commercial radio stations in schools. In addition, we distribute those royalties among performing artists who take part in the songs used on the basis of 80% for the features, or the stars if you prefer, and 20% for accompanying artists, who are back-up singers and accompanying artists.

Mr. Pierre Breton: I have other questions for you, but I'm out of time. Perhaps I'll have an opportunity to ask them later.

The Chair: Yes, you can do it later, Mr. Breton.

[*English*]

We're going to Mr. Shields, please, for seven minutes.

Mr. Martin Shields (Bow River, CPC): Madam Chair, I very much appreciate the witnesses we've had on this particular issue and the passion they bring to it.

One of the common things was the $1.25 million; we've heard it from everybody. On the extension of 50 years to 70 years, we've heard that from everybody.

On my own part, I have a disclaimer. I don't listen to the radio. If I go back to my youth, half the albums I bought were bought because of the art covers on them. They had phenomenal art. My son now raids them regularly.

Checking with my adult children, I found they moved to Sirius radio, and now they have moved away from that. When I check with my grandkids, they don't know what a radio is; they really don't. The younger generation don't listen to radio. They get it from where you say they get it.

Being an old guy, I remember the British back here. There was a news story recently about a pirate radio station off the coast of Britain finally closing up, because when you bring in regulations, they find a different way to get it. That's what happened in England in the sixties. They established a pirate radio station offshore so the youth could listen to what they wanted, and not what the government told them they could listen to. You have to be careful when you get too regulatory, because the youth.... I remember the radical youth I was involved with. We went around the rules and government in any way that we could.

That puts us in the place of this: as technology has exploded, what existed 10 years ago is out of date. How do we write legislation for the future? That's what you're asking for: how to be flexible. You're saying that we need to do it, and I'm asking, how? What are you telling us that we need to write? How can you write regulations that are not regulations? How do you write flexible, general regulations that can be applicable in any case, and non-device oriented? How do you do that?

Ms. Solange Drouin: On the radio issue, the CRTC, as you probably noticed, issued a very important report last week. On the radio issue it's saying—and it's what we've been saying for many, many years—that the radio industry is still the most resilient medium so far. If you read it, you will notice it's clear that radio stations have not had big increases, but at least they didn't fall at all. It means that if they still make as much money as they do, it's because people are listening.

I totally agree with you that the way of listening to music is changing. At the same time, we've done some surveys at l'ADISQ in Quebec and in francophone Canada, and that's not what we've collected. People, even young people, have diversified their ways of listening to music. They listen to music from radio: 30% of them say that they listen to the radio at least every day, but at the same time, they use streaming, they used iPods, they use other things. I totally agree with you that they've diversified, but at the same time, there's a problem here and you can fix it, so fix it.

At the same time, there's another problem. What we have been asking you is to have, as much as possible, an act that is technologically neutral. It's possible. You know, you have very expert writers of legislation and they will show you how to do so. It's possible to do so. At the same time, it's not because the world will be changing again that it's not important to fix the problem. You can fix it today. That's why this $1.25 million exemption has been a problem since the beginning, I would say.

I was there in 1997 and 1998 when this exemption was put in place, and when we had the neighbouring rights regime put in place —hopefully. At that time it made sense because the radio industry was in a bad position. In 1995-1996, that was true. Let's at least be truthful. We had to have that bill pass, and it was a deal with the radio industry. Let's say that, "We will give you an exemption", but now this exemption is no longer important and we have to get rid of it. If you can do it, do it.

For the future, we'll tell you how to write the act to be technologically neutral. It's totally feasible to do so.

● (0935)

Mr. Martin Shields: Thank you.

Mr. Ian MacKay: If I can add to that, just in terms of radio, I would totally agree with Solange that radio has proved to be much more resilient than people thought it would be. In 1997, at the time that neighbouring rights were brought in, they said that radio was in trouble, radio was on the way out. The total industry profits for radio in 1997 were $3.6 million. In 2016, the total industry profits were $440 million, so it's actually an industry that's getting a lot more profitable. There's been a lot of consolidation: 82% of radio is now in the hands of 10 radio groups; in 1997, only 50% was in the hands of 10 radio groups. Radio does continue to be remarkably resilient in the face of other forms, so I think it is something we still need to address.

In terms of technological neutrality, I think you've heard from me and other people in terms of changing the definition of "sound recording". That's about neutrality. As people consume more and more recorded music through audio-visual media—and I think Artisti explained that very well, that you have a digital image, but you're listening to the music—they should be compensated for that if that's the way people are listening to it in the future. We need to fix that definition to make the consumption of music technologically neutral.

On private copying, it's the same thing. Private copying is now tied to old devices and should be applied whenever everybody is copying, today and in the future.

The Chair: That brings you, actually, to the end of your time, Mr. Shields.

Mr. Martin Shields: Thank you, Madam Chair.

[*Translation*]

The Chair: Mr. Nantel, you have the floor for seven minutes.

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Thank you, Madam Chair.

Thanks to all the witnesses. Their testimony was very eloquent.

I think the most eloquent of all, and the most crucially important for every one of us, was that of Ms. Doyle, which I found very moving.

This is a situation to which I have devoted nearly seven years of my political life. Ms. Doyle is an artist who has come to tell us she can no longer earn a living from her work. Everyone of us—and I have no doubts about everyone's good faith—everyone must let that sink in. That's why we're here. We are the Standing Committee on Canadian Heritage. We are here to ensure that our heritage stays alive for future generations.

I appreciate the good faith of my colleague Mr. Shields, who asks questions about radio. Incidentally, I invite him to check *La Presse+*, which we're discussing a lot, to learn about the not-for-profit structure model organized with the federal government by the officers of that media player so they can find a way to survive, since the government's doing nothing.

There's an article that claims the radio industry is doing very well. I think we can take it for granted that this exemption should be lowered to zero. It's a temporary measure, and I don't think the people at Bell, in Toronto, who wear clothes worth $8,000 need any help. I think it's Ms. Doyle who needs help in paying her early childhood centre, or ECC, and for education services for her children, as do all Canadians who have a job, who love that job, and who contribute to society.

I think the document you've submitted as a group, as a coalition, demonstrates its own value since everyone has signed it and everyone agrees on the major points.

Do you think every one of these recommendations stands a chance of being well received and interpreted by a committee such as ours? I'm sorry the committee isn't an ad hoc committee struck specifically to study the issue. The Standing Committee on Canadian Heritage and the Standing Committee on Industry, Science and Technology have been assigned that task. I think that's troubling.

Let me ask you this: don't you think it would be interesting—I know I'm completely ignoring the committee's rules here—to prepare an interim report. We've started a process that will take several months. We'll be leaving for the summer, we'll take a break, and we'll lie out on the sand instead of drinking the glasses of sand that the copyright review represents. The fact is that, for everyone here, even for me—Ms. Drouin was explaining to me how well acquainted I am with these issues, which leaves me very emotional—this is very dry and very complex. Everyone here is wondering who does what. What are SOCAN and Re:Sound? Everyone of us thinks this is a very complicated issue. It's complicated, but it's extremely important. I think Ms. Doyle's testimony is distressing.

I'm going to take a break and let someone else speak, but, before doing that, I would like to raise a point. Would you have liked the Conservatives from Quebec to ask you a question? Here we have representatives from the Union des artistes du Québec and the Association québécoise de l'industrie du disque, du spectacle et de la vidéo.

It would be good to hear the Conservatives talk about culture. Would you have liked Mr. Bernier ask you a question?

● (0940)

Hon. Maxime Bernier (Beauce, CPC): Give me some speaking time and I can ask one.

Mr. Pierre Nantel: Perfect, I'll give it to you right away.

The Chair: You have three minutes, Mr. Nantel.

Mr. Pierre Nantel: I'll give them to him.

Hon. Maxime Bernier: I'd like to direct my question to Ms. Morin.

You said that the rules in place clearly don't meet the requirements of the three-step test imposed by the international treaties and that Artisti is asking the legislator to correct that situation and reintroduce the subsection in question into the act.

That's subsection 30.9(6) of the act.

Can you describe that three-step test rule to me in detail so we can be sure the subsection is well drafted in accordance with what you're seeking?

Mrs. Annie Morin: Yes. I'll even use this document as a reference. It's the test that states the following three principles. First, where exceptions are introduced into the act, they must be limited to certain special cases. In 2012, a range of exceptions were introduced into the act. So that couldn't be limited to special cases. There is a limit. If 40 exceptions are introduced, there are definitely not 40 special situations.

Second, a reproduction must not conflict with a normal exploitation of the work or of any other object of copyright.

Lastly, it must not unreasonably prejudice the creator's legitimate interests. Here's a specific example. In 2012, since the private copying system applied to blank CDs, it was felt that would give people the option of reproducing music on any other device. However, no provision was made for financial compensation for the creators, although that necessarily caused unreasonable prejudice to their interests. All these copies have a value. If that were not the case, people wouldn't make them. It would be fair for creators to benefit from that value.

All these aspects of the three-step test were recently scrutinized in a study by Mr. Mihály Ficsor, a world-renowned copyright expert. Mr. Ficsor examined the Canadian exceptions, particularly those that had been introduced into the act and that were related to education or to anything pertaining to literary works, and concluded that they did not meet the test requirements. Furthermore, as a result of the massive introduction of exceptions into the Copyright Act, the international community has recently raised many questions about Canada.

In May 2017, the Association littéraire et artistique internationale, or ALAI, which was founded by none other than Victor Hugo in 1878 and whose membership includes numerous legal experts, professors, and authorities in the copyright field, expressed a wish to the Canadian government. Having noted the many exceptions in the Copyright Act, it said it hoped that the number of free exceptions would decline when the act was revised. There may be exceptions, but they must provide for compensation for creators.

For those who are interested, I have here some English and French copies of the text expressing ALAI's wish. I could submit a copy to you if you wish.

● (0945)

Mr. Pierre Nantel: Thank you very much. My speaking time is up.

Hon. Maxime Bernier: Would you please submit the study that was conducted by that expert to the committee?

The Chair: Please don't hesitate to submit any written document you might wish to provide us. We now have to suspend.

[*English*]

Thanks to all of the witnesses for all of your testimony. It was very helpful.

We will be suspending briefly while we change over for the minister to appear.

Thank you.

● _____ (Pause) _____ ●

● (0950)

[*Translation*]

The Chair: I would ask you all to take your place.

[*English*]

We have Minister Joly with us this morning.

[*Translation*]

Welcome to the Standing Committee on Canadian Heritage, Ms. Joly. We are very pleased to have you here today.

Hon. Mélanie Joly (Minister of Canadian Heritage): Thank you, Madam Chair.

It's a pleasure for me to appear before you today.

The Chair: Then I invite you to make your presentation.

Hon. Mélanie Joly: Thank you, Madam Chair.

Good morning, everyone.

Madam Chair and colleagues, thank you for inviting me, once again, to speak before you.

I am accompanied by the Deputy Minister of Canadian Heritage, Mr. Graham Flack, the Associate Deputy Minister, Ms. Guylaine Roy, and the Chief Financial Officer of the department, Mr. Andrew Francis.

I want to congratulate you for the high quality of your work and to thank you for having launched, in April, a study on models of remuneration for artists and creators in the context of copyright law. Your advice will be important in the context of this parliamentary review, an essential tool in ensuring that our artists and creators are fairly remunerated for their work.

It's a pleasure to speak to you today about some planned expenditures for Canadian Heritage and its portfolio agencies in the 2018-19 main estimates. That, of course, is why I am here.

● (0955)

[*English*]

Prior to speaking about the estimates, I would like to take a moment to highlight an important announcement that the Minister of Innovation and I made earlier this week. On June 5, our government announced a process for reviewing the Broadcasting Act, the Telecommunications Act, and the Radiocommunication Act.

Our creative industries are a massive economic driver, and they employ hundreds of thousands of Canadians. That's why we have invested massively to support our sector, or, more precisely, $3.2 billion since forming government. That's the most in the G7.

Why are we doing this? Simply put, this legislation has not been reviewed since 1991. That's before the Internet was in our homes and before smart phones hit the market. Since then, new players have entered the market and our system has been disrupted.

[*Translation*]

My starting point for the modernization of these statutes and my message to all the people working in the Internet field are clear: there will be no free passes. At the same time, we are going to ensure that we do not increase costs for Canadians. We have established this panel of experts to define the outlines of the future act. I have full confidence in the ability of this expert panel, chaired by Ms. Janet Yale. I am sure it will come up with relevant recommendations in the context of this review.

With respect to the estimates, Canadian Heritage is asking for $1.3 billion, represented by around $1.1 billion in grants and contributions and $186.3 million in operations. $105 million could be added to this amount, as planned in the 2018 federal budget. We would like to invest this $105 million in particular toward official languages, Canadian content, local journalism, and multiculturalism.

[*English*]

The 2018-19 main estimates represent a net decrease of $133.9 million compared to last year. This decrease is partly due to the end of the Canada 150 initiative, which represents a drop of $117.54 million in funding.

Allow me a moment to say what an exciting year it was for Canadians coast to coast to coast, as we celebrated 150 years of Confederation. Whether it was on Parliament Hill for July 1, aboard the majestic *Canada C3*, or in communities large and small across the country, more than 31 million Canadians participated in this special year.

The decrease is also caused by the end of the $84.2 million in time-limited funding announced in budget 2016 and invested in the Canada cultural spaces fund.

[*Translation*]

That being said, our government is putting an even stronger emphasis on arts and culture than before, because they reflect the values and identities that make us Canadian.

Canada's strength lies in its diversity. And more than ever, our country must be able to make the plurality of its voices heard—at home, abroad and in the digital domain. That's why, last September, I unveiled our government's vision for a Creative Canada. It is a vision anchored in our diversity and focused on the talent of our creators.

[*English*]

As a result, we continue to invest heavily in our cultural and heritage institutions across the country through the Canada cultural spaces fund. This year, we are beginning to invest an additional $300 million over 10 years, as announced in our 2017 budget, which represents a new envelope of $29.9 million for 2018-19 in the main estimates.

We are also investing an additional $172 million into the Canada media fund to ensure that we have a sustainable protection sector for creators. Also, we are allocating $125 million over five years to Canada's first-ever creative export strategy so that our creators and creative industries can be promoted and supported internationally. This amount will be reflected in future main and supplementary estimates of Canadian Heritage.

● (1000)

[*Translation*]

No relationship is more important than our relationship with indigenous peoples. In addition, budget 2017 provided $89.9 million over three years to support indigenous languages and cultures, and increased support for the aboriginal languages initiative: $69 million for Canadian Heritage, $14.9 million for Library and Archives Canada, and $6 million for National Research Council Canada. An amount of $22.6 million is included in these main estimates.

We are also continuing our commitment to enact legislation on first nations, Inuit and Métis languages.

[*English*]

We are also dedicated to creating jobs for young people. Budget 2017 proposes $395.5 million in new funding over three years for the youth employment strategy, beginning in 2017-18. Of these funds, over three years $17 million will go to Canadian Heritage for initiatives that will increase new job opportunities for young people in the heritage sector. These summer jobs and long-term paid internships will give students and new graduates meaningful work experience in both English and French. An increase of $7 million is included in the main estimates of 2018-19.

With respect to grants and contributions—and in the wake of the "Me too" movement—our government has taken action against workplace harassment because everyone has a right to feel safe at work.

On this issue, artists have been at the forefront of social change by leading the charge to let people know that harassment of any kind is unacceptable. In fact, I wish to thank this committee for their important work on the issue of gender balance on the boards of arts organizations. Following our joint announcement with the Canada Council for the Arts, in order to secure our financial support, arts and culture organizations will now have to make a formal commitment to building a workplace that is free from all forms of harassment, abuse, and discrimination. It is a measure that I hold very close to my heart and one that gives hope to survivors.

[*Translation*]

I now come to the expenses of the numerous organizations in the Canadian Heritage portfolio.

The 2018-19 main estimates foresee $2.2 billion in expenses, representing a decrease of $131 million from the 2017-18 main estimates. This decrease is due to the completion of the Museum of Science and Technology's renovation and the National Arts Centre's modernization.

Our museums and other heritage institutions are places of inspiration for Canadians. They showcase our cultural landmarks, highlight our shared memory and attract visitors to our regions. That's why we are pleased to request $35 million over five years, starting this year, for the Canadian Museum for Human Rights, in Winnipeg. This institution plays an important role for our democracy and our social cohesion, as it promotes respect for each other and encourages reflection and dialogue.

But there is more: we intend to support the construction and operation of the new shared premises for Library and Archives Canada and the Ottawa Public Library. We want to invest $73.3 million in this project over six years, starting in 2018-19, and $4 million per year thereafter.

[*English*]

Madam Chair and distinguished committee members, thank you for your attention. I am now ready to answer questions.

The Chair: Thank you. We're now beginning our question-and-answer period.

[*Translation*]

Mr. Hébert, you may begin. You have the floor for seven minutes.

Mr. Richard Hébert (Lac-Saint-Jean, Lib.): Thank you, Madam Chair.

Good morning, Minister. We are very honoured to have you with us this morning.

The 2018-19 main estimates provide for an increase in contributions under the museums assistance program of more than $16.7 million. You have an estimate of the number of museum institutions that, thanks to that funding, will now be able to benefit from the museums assistance program. What impact will that have on artistic and museum exports?

Hon. Mélanie Joly: Thank you very much, colleague.

In our budget, we have planned more student internships under the Canada youth employment strategy. That's mainly what will help museum institutions across the country.

Furthermore, of course, we've made massive infrastructure investments, $30 million more per year in addition to an initial budget of $25 million. We now have $55 million a year to invest in our cultural infrastructure, including museum infrastructure.

In addition, we have massively reinvested in our national museums in terms of both infrastructure and deferred tax payments. As I said in my speech, the budget of the Canadian Human Rights Museum in Winnipeg has been increased, which will considerably help it in its operations, since it had been indebted for years. That debt has been amply repaid since we have reinvested $35 million in the museum.

● (1005)

Mr. Richard Hébert: Thank you.

Total projected expenditures of the Department of Canadian Heritage for 2018-2019 will decrease relative to the 2017-2018 and 2016-2017 fiscal years. However, some spending increases have been noted. Another $29.9 million will be added to the Canada cultural spaces fund for 2018-2019.

Why did you think it was good idea to add to the Canada cultural spaces fund, and what will be the impact of these new investments for Canadian institutions and Canadians?

Hon. Mélanie Joly: Thank you, colleague.

There are a number of things here. As you know, our government has decided to invest massively in infrastructure because that will enable us to meet citizens' needs by providing them with access to better infrastructure and to create an economic stimulus that will have an impact on all sectors of our economy.

Our infrastructure investments include investments in cultural infrastructure. As I just mentioned, they will represent $30 million more per year in addition to a basic budget of $25 million, for a total of $55 million a year over 10 years.

With regard to cultural policy, which we announced last September, I have set aside a portion of the funding to support creative centres across the country. We are thinking, in particular, of the Société des arts technologiques, or SAT, in Quebec, and the Artscape Daniels Launchpad in Toronto, not to mention other centres in Vancouver.

Here are a few of the infrastructure projects we have funded in the past two years: the Inuit Art Centre in Winnipeg, Espace Go in Montreal, Place des arts du Grand Sudbury, Arts Umbrella in Vancouver, Théâtre Palace Arvida in my colleague's magnificent Saguenay—Lac-Saint-Jean region, and Espace René-Lévesque in Gaspésie. These are examples of cultural infrastructure projects that we have funded out of our budget and new allocated funding.

There are definitely other ways to fund cultural infrastructure in Canada, including through federal-provincial agreements, budgets that existed and that we have spent, and the new infrastructure program that was developed by my colleague Amarjeet Sohi, the Minister for Infrastructure and Communities. As for infrastructure projects funded under federal-provincial agreements, I'm thinking in particular of the Musée d'art contemporain de Montreal and the Théâtre Le Diamant in Quebec City.

Mr. Richard Hébert: You mentioned indigenous languages. According to the 2018-19 main estimates, $22.5 million in new funding will be allocated to the aboriginal languages initiative to support the preservation, revitalization, and promotion of indigenous languages.

Are the provincial and territorial governments taking part in the funding of this initiative?

Hon. Mélanie Joly: There are different aspects to consider. Since some territories, such as Yukon, the Northwest Territories and Nunavut, recognize certain indigenous languages as official languages, we included other investments in the last budget to support those governments. However, the purpose of the $89.9 million figure we have announced is mainly to support projects in the aboriginal communities themselves in order to revitalize and promote their languages.

As you know, I'm working very hard with first nations, Inuit and Métis chiefs so we can table an initial bill that will be designed in partnership with those three national aboriginal organizations. We hope the bill will be tabled in the fall so it can later be enacted by the House of Commons and the Senate.

● (1010)

Mr. Richard Hébert: Thank you very much.

The Chair: You have one minute left.

Mr. Richard Hébert: All right.

You have also announced some new investments in the indigenous languages field. Is that a permanent or a temporary increase in the program?

Hon. Mélanie Joly: In fact, in the 2017 budget, not the 2018 budget, we announced funding over three years to support projects originating in the aboriginal communities. We knew that there would be a new aboriginal languages act and that it would help support 90 of those languages. By the way, all of them are endangered, as UNESCO has acknowledged, and the vitality of each of them is undermined. We are working on transitional funding. The $89 million figure is an example of that. We want to be able to pass a new act that will be a model and can support all the others.

As the basic principle of that act, we have already announced that indigenous languages will be recognized as associated with section 35 of the Canadian Constitution. In other words, indigenous languages will be recognized as a constitutional right.

The Chair: Very good. Now we will hear from Mr. Clarke.

Mr. Clarke, you have the floor for seven minutes.

Mr. Alupa Clarke (Beauport—Limoilou, CPC): Thank you, Madam Chair.

Good morning, Minister. I'm pleased to see you this morning.

Hon. Mélanie Joly: Thank you.

Mr. Alupa Clarke: We were unable to meet with you yesterday in the Standing Committee on Official Languages as a result of the many votes that were held.

Hon. Mélanie Joly: Yes, that was too bad. I had a lot of answers for you.

Mr. Alupa Clarke: Yes, but, as you can see, I've arranged to be here this morning.

Hon. Mélanie Joly: Yes.

Mr. Alupa Clarke: My first question is really diplomatic in nature. It concerns an interesting debate for all the founding peoples, which I love, as you know.

Yesterday, the Prime Minister confirmed that he was going to modernize the Official Languages Act, but the question is whether that will be done before the election. Can you tell us about that?

[*English*]

Mr. Sean Casey (Charlottetown, Lib.): I have a point of order, Madam Chair.

[*Translation*]

Questions must be related to the main estimates, which is not the case of Mr. Clarke's question. There has to be a connection.

Mr. Alupa Clarke: Yes, I understand.

Madam Chair, I have enormous respect for Mr. Casey. We know each other well. However, the Prime Minister made an incredible announcement yesterday. The Fédération des communautés francophones et acadienne, the FCFA, the Société de l'Acadie du Nouveau-Brunswick, the SANB, and other organizations want to know whether that will be done before the election.

Do you want to answer that, Minister?

The Chair: Mr. Clarke, can you establish a connection with the main estimates?

Mr. Alupa Clarke: All the other questions concern the main estimates.

Does the minister want to answer or not?

The Chair: I'm simply asking you to make a connection with the main estimates.

Hon. Mélanie Joly: It's up to the chair, not me, to decide whether the question is admissible.

Mr. Alupa Clarke: Several sections of the Official Languages act, including section 7, provide for positive measures. However, section 7 is not detailed and specific enough for judges to be able to grant positive measures, which, of course, require federal spending. If we want to reform the act, we must focus on section 7 in particular. That's very important. There has been one case, in British Columbia, in which a judge was unable to find in favour of the francophones.

Does the Prime Minister intend to examine the problem before the next election as it relates to the main estimates?

Hon. Mélanie Joly: My dear colleague, I don't think that's related to the main estimates, but, since you are in good faith and positive announcements have been made, I will be pleased to answer you. I will also relate my answer to the main estimates.

In budget 2018, we announced the largest reinvestment in official languages history, a sum of $1.7 billion over five years. We're talking about an excellent action plan for official languages. However, as we know, the communities across the country, particularly the francophone communities, will be facing enormous challenges and serious assimilation risks. Consequently, this action plan contains the following good news.

First, the basic budgets of all official language organizations will be increased. Second, there will be a first national strategy to integrate francophone immigration into the official language minority communities outside Quebec. Third, there will be an early childhood support strategy to assist francophone children in promptly attending French-language child care centres and, subsequently, French-language schools. We will also be assisting the provinces in recruiting more French teachers. There is a shortage of French teachers across the country.

● (1015)

Mr. Alupa Clarke: That's good.

Hon. Mélanie Joly: In that action plan for official languages, we will acknowledge for the first time—and this is the Trudeau government's new vision—that collective rights are extremely important. With an individualistic vision of official languages, we recognize language rights and bilingualism in the public service. However, now we will focus on the sustainability of the minority language communities. If we don't support the vitality of the official language communities, we won't be able to establish genuine bilingualism across the country.

I've spoken many times with the FCFA people, my cabinet colleagues, and the Prime Minister. We feel we can still do better on official languages, and we're still prepared to listen to good recommendations, particularly those of the Senate and the FCFA, for modernizing the act, which needs to be modernized.

Mr. Alupa Clarke: Thank you very much, Minister.

On page 2 of your speaking notes, you say something I consider very important: "And, so that our creators and creative industries can be promoted and supported internationally, we are allocating $125 million over five years to Canada's first-ever Creative Export Strategy."

I do a lot of door-to-door work, and my fellow citizens often ask me questions about spending on this Canadian creative export strategy. How did your trip to South Korea help you refine that plan? Can you give us some examples of how your diplomatic meetings contributed to the plan?

Hon. Mélanie Joly: I'll be very frank, Mr. Clarke. Your former government, the Harper government, made massive cuts to arts and culture, particularly to cultural export programs.

Many representatives of the artistic community are here today. Remember the demonstrations that took place, in Quebec, in particular, in 2008, when those cuts were made. The cuts also hit our public broadcaster, CBC/Radio-Canada, very hard and left it more vulnerable.

We are developing a new cultural export strategy by drawing on the best models from other countries, particularly South Korea, France, and Great Britain. Unlike the Conservatives, we believe in the importance of the cultural sector as a vector of identity and protection for the French language. In addition, the sector has economic value: it represents $55 billion and 630,000 jobs in Canada.

We must establish new programs that will have a beneficial impact as a result of the thousands of jobs they create. I will have an opportunity to announce this cultural export strategy in the coming months.

I also had a chance to meet with the minister from South Korea.

Mr. Alupa Clarke: Did you talk about what we should do?

Hon. Mélanie Joly: He told us that South Korea decided 20 years ago to invest in a cultural export strategy and that now, as a result of those investments, his country had become a cultural and entertainment giant. It is a much smaller country than China or Asia in terms of population, and yet it has managed to capture a large piece of the pie.

Mr. Alupa Clarke: Thank you. I would like to ask you one final question.

The supplementary estimates provide for $14.53 million over five years—thank heaven—to assist community radio stations and media in the official language minority communities, the OLMCs.

We do a lot of talking in the Standing Committee on Official languages. Would you agree that a portion of that amount should immediately be sent to those organizations? We know the funding won't be available for a few months.

When those organizations appeared before this committee, they told us they were about to shut down. Would you be prepared to make an effort and immediately allocate $2 million to those organizations on an urgent basis?

The Chair: We don't have a lot of time left, Minister. Please answer briefly.

Hon. Mélanie Joly: No investments were made in official languages for 10 years. Our government has decided to invest $1.7 billion in this sector. This will be the first time official language minority community media and radio stations have had access to funding. We have heard their concerns, and we acknowledge that urgent action is required. We'll be working with them to that end.

The Chair: I see that

[*English*]

the bells are ringing. The lights have just gone on.

I will need unanimous consent to continue. What I would recommend is that we let Monsieur Nantel get in his seven minutes and then break after that, just so that everyone gets a chance to ask their questions. Would that be agreeable to everyone at the table?

Some hon. members: Agreed.

The Chair: Thanks.

Go ahead, Monsieur Nantel.

● (1020)

[*Translation*]

Mr. Pierre Nantel: Thank you very much, Madam Chair.

Minister, you've been conducting consultations for two years, one month, and 16 days. In April 2016, you said in an interview with *La Presse* that, following those consultations, legislative changes would be made in 2017.

Can you confirm for us today that there will be no reform during your mandate before 2020?

Hon. Mélanie Joly: This week, my colleague and I announced a major reform of the Broadcasting Act and Telecommunications Act. This is a historic announcement in itself because the federal government has acknowledged for the first time that the Internet giants and the various players in the digital field will have to contribute to Canadian content.

It took seven years for the first Broadcasting Act to be created. Broadcasting and telecommunications in Canada represent a $66 billion system and hundreds of thousands of jobs. We necessarily want to present a good act that will have positive impact and address four objectives: to make the Internet giants contribute; to revise the mandate of CBC/Radio-Canada, which is stated in the Broadcasting Act; to revise the mandate of the CRTC, which is also stated in that act; and to support local news. According to the Broadcasting Act, broadcasters have an obligation to support the news.

Mr. Pierre Nantel: Thank you very much.

Hon. Mélanie Joly: We have established an excellent panel of experts on the issue, which includes Monique Simard, Peter S. Grant, who has written a book on broadcasting, Janet Yale, and Pierre Trudel.

Mr. Pierre Nantel: Thank you.

Obviously, no one doubts the qualifications of the people on the panel.

I would like to ask you one thing. Would it be possible for your answers to be roughly the same length as the questions? I would appreciate that because I obviously don't want to exhaust my speaking time with you, particularly since it's only seven minutes.

Hon. Mélanie Joly: Mr. Trudel, in my opinion, what's important is to provide as much information as possible—

Mr. Pierre Nantel: It's nice of you to call me Mr. Trudel because he's a major telecommunications expert.

Hon. Mélanie Joly: —so my colleagues and everyone around the table can really get a complete picture of the situation.

Mr. Pierre Nantel: That's perfect.

Thank you very much, Minister.

I think we've recently heard you talk enough about that.

However, I want to tell you I find it absolutely pathetic that you're holding the cultural sector hostage. Earlier you mentioned the demonstrations organized against the Conservatives in 2008. You're right. At the time, they were hoping for an emergency exit from culture, from both the NDP and the Liberal party. Today, they know very well that you've very clearly heard what the CRTC told you, at least I hope so. The CRTC very clearly relayed the information that the entire cultural and Canadian content sector had transmitted. Today, you know what has to be done, but you have the petty audacity to postpone any form of action until after your election. That's Machiavellian, Minister.

Hon. Mélanie Joly: Was that a question? It was long.

Mr. Pierre Nantel: No, it was a response to your long spiel.

Hon. Mélanie Joly: I see.

Mr. Pierre Nantel: It really has a connection with the budget.

Hon. Mélanie Joly: I'd like to talk about that.

Mr. Nantel, I think you have rose-coloured glasses.

Mr. Pierre Nantel: Is that so?

Hon. Mélanie Joly: When I speak to sector stakeholders, I realize there is some impatience there. I'm impatient too. However, unlike your party, they acknowledge that we had a very good election platform on cultural reinvestment.

Mr. Pierre Nantel: Exactly.

Hon. Mélanie Joly: We've invested $3.2 billion. We doubled the funding for the Canada Council for the Arts, and we reinvested in CBC/Radio-Canada.

Mr. Pierre Nantel: Talking about CBC/Radio-Canada, I will say one thing.

Hon. Mélanie Joly: We've also invested in the cultural sector.

Mr. Pierre Nantel: Please, Minister, stop the spiel. Stop telling us about CBC/Radio-Canada and platforms.

Hon. Mélanie Joly: It's really made a good transition possible.

Mr. Pierre Nantel: Really, Minister, you're back at it with your political speech.

Hon. Mélanie Joly: Now we've gone further.

Mr. Pierre Nantel: Before you were a minister, you were first a politician. That's what's unfortunate for culture.

The Chair: I must interrupt you for a moment.

We have to hear what you have to say, whether it's the witness or the person who's asking the questions.

Mr. Pierre Nantel: Of course, Madam Chair. I understand.

Minister, you wrote a book entitled *Changing the Rules of the Game*. In April 2016, you told Daniel Leblanc, a journalist with the *Global and Mail*: "I think the current model is broken...For a long time, politicians have been afraid to deal with these difficult issues, but I don't understand why it wasn't done."

Do you agree that you are now one of a long list of people who won't be making the changes?

Mr. Sean Casey: I have a point of order, Madam Chair.

Mr. Pierre Nantel: The member is mistaken, Madam Chair.

Mr. Sean Casey: There must be a connection between the main estimates and the questions. In this case, we have gone beyond that.

● (1025)

The Chair: Yes.

You can help me make the connection.

Mr. Pierre Nantel: You're absolutely wrong.

I'm referring to the main estimates, more specifically to page II-82, which concerns contributions to support the Canada media fund, which the government has undertaken to do instead of eight major telecommunications companies.

Hon. Mélanie Joly: I think it's unfortunate to see you this cynical, colleague. I like working with you, and I have enormous respect for the work you do. We went to Europe together. When we met with the various European stakeholders, both of us realized how complex the subject was.

Mr. Pierre Nantel: Complex to the point of doing nothing for eight years?

Hon. Mélanie Joly: Those stakeholders were far from having implemented any kind of act. They've been working on the issue for six years, whereas, in two and a half years, we've filled the coffers of the cultural organizations and launched all the major projects as a result of which, in two or three years, we'll have new laws that will last 10, 15 or 20 years.

That being said, the media fund is a very relevant issue. We want to ensure that producers have access to good funding to create good television content. Since we knew there was anxiety over the fact that there were fewer contributions from the cable companies, we wanted to fill the coffers of the Canada media fund. We reinvested $172 million. There will be as much funding in three years as there is right now because the government is ensuring that there is enough funding. In the meantime, we are proceeding with a reform of the system.

Mr. Pierre Nantel: Reforming the system is a long process. It can take eight years.

Hon. Mélanie Joly: May I finish my thought?

We're helping CBC/Radio-Canada carry out its mandate.

Mr. Pierre Nantel: Thank you.

You appeared before the Senate on Tuesday, and you defended your lack of action by saying that, at the present time, no country in the world has yet managed to make a change to its broadcasting system to respond to digital changes. You also said you are looking at what's happening internationally.

You know very well that's false. The French president is here, and I invite you to ask him whether he's made those changes.

Hon. Mélanie Joly: We need an independent expert.

The Chair: You have 30 seconds left.

Hon. Mélanie Joly: We don't want to spread disinformation either, Mr. Nantel.

Then I'll let my deputy minister answer the question on the broadcasting reform in other countries.

Mr. Graham Flack (Deputy Minister, Department of Canadian Heritage): Measures have been taken in other countries. As for amendments to legislation, to laws, I would say, however, that, to date, there are places where changes have been proposed, but implementation has not yet taken place.

Mr. Pierre Nantel: That's funny because, a long time ago—as far as I know—the Centre national du cinéma et de l'image, the CNC, in France, was supplied by foreign access providers. The issue regarding Netflix and other circumvention television services is pending before the European Commission. However, Internet access providers should have contributed a long time ago.

The Chair: Mr. Nantel, your seven minutes of speaking time is up. I'm sorry.

Mr. Clarke, do you have a question?

Mr. Alupa Clarke: I have a special request to make of all my colleagues.

We're just next door to the House of Commons, and we are extraordinarily lucky to have the minister with us. I move that we extend the meeting by 14 minutes in order to go around the table twice for seven minutes each. What do you think?

The Chair: If we continue, it will be for two rounds, one of seven minutes and the other of five minutes.

Mr. Alupa Clarke: I agree.

[*English*]

The Chair: *Alors*, I need unanimous consent to be able to continue because the bells are ringing. Do I have unanimous consent?

Mr. Sean Casey: No.

The Chair: All right—

[*Translation*]

Hon. Maxime Bernier: The minister has come to speak with us. She has lots of things to tell us.

Mr. Alupa Clarke: She isn't disabled. She's able to respond.

[*English*]

The Chair: The meeting is adjourned.

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